



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 12, 2000

S. 3031

Native American Laws Technical Corrections Act of 2000

As ordered reported by the Senate Committee on Indian Affairs on September 27, 2000

SUMMARY

S. 3031 would make technical corrections in several laws relating to Native Americans. The bill would eliminate a current requirement on some tribes to repay certain loans for expert assistance. It also would authorize the appropriation of \$12.3 million over the next five years for the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation. Finally, it would exclude certain income for purposes of determining federal assistance to individuals.

CBO estimates that eliminating the requirement to repay certain loans for expert assistance loans as directed by S. 3031 would increase direct spending by about \$4 million in 2001; therefore, pay-as-you-go procedures would apply. In addition, the bill would increase federal assistance payments by a small amount. CBO also estimates that implementing the provisions in S. 3031 relating to education of Native Americans would cost \$11 million over the 2001-2005 period, assuming appropriation of the authorized amount.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit some Indian tribes.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 3031 is shown in the following table. The costs of this legislation fall within budget functions 450 (community and regional development), and 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING					
Estimated Budget Authority	4	*	*	*	*
Estimated Outlays	4	*	*	*	*
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	2	2	2	3	3
Estimated Outlays	1	2	2	3	3
* = Less than \$500,000.					

BASIS OF ESTIMATE

Direct Spending

Section 103 of S. 3031 would eliminate the requirement to repay loans for expert assistance made by the federal government to the Red Lake Band of the Chippewa Indians and the Minnesota Chippewa Tribes. Under current law, the tribes would only be required to pay back such loans in the event they win a judgment sufficient to cover the amount of the loans. S. 3031 would eliminate that requirement so that such loans would not be paid back in the event of either a favorable or unfavorable judgment. The current amount of principal and interest owed to the federal government for these loans is about \$7 million.

Based on information from the Bureau of Indian Affairs (BIA), all court cases that have led to loans for expert assistance should be completed by 2007. Under current law, CBO assumes that there is a 50 percent chance that the loans will be paid back by 2007. By eliminating the probability of this repayment, the bill would increase the cost of these outstanding loans by about \$4 million. That cost would be recorded in 2001 because any change in a federal loan program is governed by the Federal Credit Reform Act, which requires that the cost of such a change be calculated on a present value basis and recorded in the year that the change is effective.

Section 108 of the bill would reduce the income on which federal assistance programs are determined by \$550 per person for the Fort Bois Band of Chippewa Indians. The state of Minnesota pays this amount to the Fort Bois Band to voluntarily restrict their tribal rights to

hunting and fishing. Reducing the income on which federal assistance is paid would only affect federal assistance to about 100 people. Thus, any increase in federal assistance payments would total less than \$55,000 a year.

Spending Subject to Appropriation

Section 105 of S. 3031 would extend through 2001 the authority to appropriate funding for the Indian Health Service (IHS) under the Indian Health Care Improvement Act. Similarly, section 106 would extend the authorization of appropriations for many activities of BIA under the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986. Both of these acts expired on September 30, 2000. But H.R. 4578, the Department of the Interior and Related Agencies Appropriation Act, 2001, which was enacted on October 11, 2000, contains appropriations for IHS and BIA for fiscal year 2001. Since this appropriation act will allow the IHS and BIA to continue the activities that S. 3031 would reauthorize, the one-year extensions in sections 105 and 106 would have no additional budgetary effect.

Section 107 would authorize the appropriation of \$12.3 million over a five-year period to the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation to provide leadership and management training to Indians and Indian tribes. Based on information from the foundation, CBO estimates that the authorized level would likely be spread across five years with \$2 million to \$3 million used each year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table.

	By Fiscal Year, in Millions of Dollars									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	4	0	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable									

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 3031 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit some Indian tribes.

ESTIMATE PREPARED BY:

Federal Costs:

Bureau of Indian Affairs: Lisa Cash Driskill

Indian Health Service: Eric Rollins

Morris K. Udall Scholarship: Deborah Kalcevic

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Lauren Marks

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis